



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
OFFICE OF INSPECTOR GENERAL
1445 ROSS AVE, ROOM 9E13
DALLAS, TX 75202

CASE #: OI-DA-2012-CAC-0114

CROSS REFERENCE #:

TITLE: ARRA SF: TAR CREEK/LICRA TRUST QUI TAM

CASE AGENT: [REDACTED]

MEMORANDUM OF ACTIVITY

NARRATIVE:

During the period of January 7 – 23, 2013, SA [REDACTED] completed the following summary of investigative activity and findings for the purpose of assisting RON GALLEGOS, Assistant United States Attorney, Western District of Oklahoma, Oklahoma City, OK, in making a determination as to whether or not to join in the Qui Tam Lawsuit.

BACKGROUND

On May 15, 2012, SA [REDACTED] received Hotline Complaint 2012-139 pertaining to a Qui Tam complaint filed under seal on April 26, 2012. The complaint was filed by two complainants alleging a conspiracy to defraud the United States Government through the submission of False Claims and False Statements. In 2009, an EPA American Recovery and Reinvestment Act (ARRA) funded grant, in an amount exceeding \$15M, was awarded to the Oklahoma Department of Environmental Quality in (ODEQ). The purpose of the grant was to provide funding to the Lead Impacted Communities Relocation Assistance Trust (LICRAT or “The Trust”) to complete the home buyout and relocation project involving all residents living in the Picher, Cardin, and Hockerville, OK, areas. The project included demolition and debris removal of all homes which had been purchased. The Trust subsequently received a grant from ODEQ upon which they advertised and awarded a series of subcontracts for the work required to complete the project. The complainants allege that certain individuals conspired and worked in concert with each other to submit false claims for work which was either never completed or not allowed under the grant.

HISTORY

On August 31, 2004, the State of Oklahoma established the Trust for the purpose of relocating families in highly contaminated areas of the Tar Creek Superfund Site. These areas consisted primarily of the towns of Picher and Cardin, OK. In 2009, President Obama signed into law, the ARRA. Under ARRA, a grant was awarded to the ODEQ, for pass through to the Trust sighting relocation families within the “affected zone” to include demolition, debris removal, and restoration of the property to a more natural state. The “affected zone” was defined as those areas which were most likely to experience subsidence (land sinking) as a result of the

underground mining activities which had occurred in the area. The “affected zone” was comprised primarily of the towns of Picher and Cardin, OK.

Subsequently, upon receipt of the funds, the Trust awarded a contract to TWIN BRIDGES, Alexandria, LA, [REDACTED] submitted the lowest bid based upon the concept that [REDACTED] would relocate and restore the nicer homes into an unaffected, uncontaminated area and resell them. [REDACTED] excessively underbid the contract expecting to make [REDACTED] profit on the sale of the homes. The contract included the demolition and restoration of properties in the towns of Picher, Cardin, and Hockerville. Also included in the contract was a requirement to fill an extensive subsidence area (sink hole) in Hockerville and then build a cap over the fill to return the land to a more natural state. During the period of time in which [REDACTED] held the contract, [REDACTED] failed to complete even 10 percent of the work required. Accordingly, after attempting to work with [REDACTED] for approximately 2 years, the contract with TWIN BRIDGES was terminated for default.

Following the termination of the TWIN BRIDGES contract, the Trust became aware that they needed [REDACTED] in construction, demolition, debris removal, and restoration. The members of the Trust were volunteers with no experience relevant to this project. As such, the Trust engaged the services of [REDACTED]. The Trust then issued a new RFP with [REDACTED]. Because of the experience with TWIN BRIDGES, this new RFP included certain criteria for quality control, time management, and progress. A quality control grading sheet was developed as a means to determine the responsiveness to bid requirements as well as capabilities to perform the job. The contract was subsequently awarded to [REDACTED] BACKHOE, DOZER & TRUCKING, Miami, OK, as [REDACTED] was the only entity deemed to be responsive since their bid was the only one to contain all the requirements.

After the award to [REDACTED], a competing contractor, DT SPECIALIZED SERVICE, Catoosa, OK, filed a lawsuit in district court based upon the Trust’s failure to meet certain state mandates during the award process. Ultimately, the court found the Trust failed to comply with the State of Oklahoma’s Open Meeting Act and as such, the award to [REDACTED] was vacated.

During the court proceedings, [REDACTED] was given the authorization to proceed with work at which time, they and their subcontractors processed approximately 37 properties. Unfortunately, during this time, the Trust became aware that [REDACTED] was unable to obtain the required performance and payment bonds. As a result [REDACTED] assigned all rights and responsibilities for performance under the contract to their subcontractor VISION CONSTRUCTION AND PROJECT MANAGEMENT, INC. (AKA: CWF ENTERPRISES), Grove, OK. After the contract was vacated by the court, the Trust had no mechanism under which VISION/CWF could be paid for the 37 properties already completed. As such, the Trust, in coordination with the Oklahoma Attorney General’s Office (assigned to provide legal advice to the Trust), advised VISION/CWF to file a lawsuit. The Trust and VISION/CWF came to a settlement approved by the court and as such VISION/CWF was paid monies due for services rendered.

Following the lawsuit and contract award vacation by the court, the Trust engaged the services of Oklahoma’s Department of Central Services (DCS) for award of another contract. Accordingly, DCS worked with the Trust and ODEQ to determine the scope of work and contract

requirements. In this instance, the filling of the subsidence area in Hockerville was removed from the Scope of Work because the local communities and county had agreed to fill the hole. The RFP included a Base Bid, an Alternate Bid, and an Option. The Base Bid was for the demolition, debris removal, and restoration of the property with debris being disposed of at an EPA operated repository. Further, the RFP required unit pricing for demolition square footage, asbestos removal, debris removal, and seeding be included as a basis for the Base Bid.

The Alternate was included as a contingency in the event the EPA operated repository was no longer available for disposal of debris by the Trust's contractor. The Alternate was for the additional cost which would be required to transport and dispose of debris at a licensed commercial landfill, pre-determined to be B3 CONSTRUCTION, Skammon, KS. No unit pricing was required to be supplied for the Alternate.

The Option was for the capping of the subsidence area in Hockerville. Cap specifications were included as part of the Scope of Work; however, the Option specifically excluded filling of the hole since the local governmental entities had committed to doing so. No unit pricing was required to be provided for the Option.

During the pre-bid conference, bidders were advised that unit pricing was only to be used as a basis for the Base Bid and would not be used for performance or payment purposes. Further, bidders were advised that the Alternate was for additional costs to take debris to a licensed landfill in the event the EPA repository became unavailable.

Bids were reviewed using a best value determination. This determination includes the process of reviewing performance requirements in the blind, which means that the bidder was not identified in any way on this portion of the review and scoring. Subsequently, once best value was determined, a review of proposed bid amounts was considered. Based upon these criteria, CWF ENTERPRISES was determined to be the lowest, most responsible, responsive bidder. DCS provided a recommendation of award of the contract to the Trust who agreed, by letter, with the recommendation to make the award to CWF at a Base Bid amount of \$1,701,752.97, an Alternate amount of \$1,324,032.96 and \$25,000 for the Option. However, due to an error by DCS, the contract awarded to CWF included the Base Bid value excluding the Alternate and the Option. Subsequently, upon discovery of the error, an amendment was written to include the omitted amounts.

At the time the DCS RFP was issued and bids were submitted, there was a belief that 248 properties would be available for demolition. Unfortunately, on the day of contract award, ODEQ and the Trust were notified that approximately 66 of the properties were unavailable due to restrictions imposed by the Bureau of Indian Affairs (BIA), on behalf of the Quapaw Tribe. CWF immediately requested an amendment to the contract changing the unit price for demolition/debris removal and adding a remobilization fee of \$3,000 per property. After negotiation on the issue, it was determined that CWF would experience additional costs not anticipated at the time of bid because they would not be able to operate efficiently, having to skip certain properties and then return later to complete them. Accordingly, a no cost amendment was written to increase the unit price for demolition/debris on a graduating scale based upon the length of the delay caused by the restrictions. The amendment did not include a remobilization

fee or any other related costs. Although CWF requested a contract modification to adjust the price of asbestos removal, no modifications to the original unit price were made.

The contract was awarded as a "Lump Sum" contract meaning that CWF would be paid no more and no less at contract completion than the total amount of award without cost increase/decrease by official contract modification. At the end, including the amendments, the total contract value was \$3,050,785.93. Although bidders were advised that unit pricing was only to be used for the purposes of evaluating the Base Bid, [REDACTED] use of unit prices during the billing process as a means to establish monies earned for progress payments. The unit price for the Base Bid was used exclusively for demolition/debris removal, excluding asbestos, up until the time the Trust, ODEQ, and CWF believed the EPA repository was no longer available. At that time, an additional unit cost, [REDACTED] from the Alternate bid, was added to the unit cost of the Base Bid for demolition/debris removal. No adjustment was made throughout contract performance and billing for asbestos. Further, for those properties delayed by the BIA, the unit price billed was comprised of the negotiated price included in the aforementioned amendment plus the Alternate unit price. Finally, although the RFP stated that no adjustments would be made for square footage beyond that specified in the RFP, CWF was allowed to bill for actual square footage determined at the time of demolition. This deviation occurred as the result of finding numerous errors early on during the demolition process in which the square footage was grossly overstated in the RFP. The square footage included in the RFP was derived by the entity responsible for the buyout of the property. This overstatement was likely the result of the removal of outbuildings by the original property owner between the time of buy out and the time of demolition. The change in square footage billed by CWF resulted in an overall increase of approximately 9-12 percent above the original square footage in the RFP. A total of approximately 387,000 square feet was disposed of during the life of the contract versus the total amount of 369,000 square feet billed, versus approximately 339,000 square feet included in the RFP.

During contract performance, [REDACTED] ODEQ, and the Trust became aware that the local communities who had committed to filling the Hockerville subsidence area had failed to do so. In order for the area to be capped, it would have to be filled first. Accordingly, in coordination with ODEQ, debris from certain properties was deemed to be disposed of at Hockerville. During the early portion of contract performance, only the unit price for demolition/debris removal included in the Base Bid was used for debris taken to Hockerville. After the repository was believed to be unavailable, the Alternate was added to the Base Bid unit price for billing/progress payment purposes. Only a small number of properties was taken to Hockerville prior to the belief that the repository was closed. The majority of the disposal at Hockerville occurred subsequent to the repository closing. The remainder of the debris was taken to Skammon, KS, for disposal, with one exception.

During the debris removal and disposal at the EPA repository, additional costs were incurred by CWF. At the time of the bid conference, bidders were advised that all debris would be accepted at the EPA Repository, except items such as white goods (refrigerators, washer, dryer, freezer, etc.) and large items such as automobiles and components. During contract performance, CWF was advised by EPA that additional items would not be accepted. This change by EPA resulted in a new requirement that CWF sort the debris according to EPA specifications. The sorting was

not a cost factor included in the original bid, and therefore, CWF was allowed to include a billed amount for this effort.

In February and March of 2011, EPA and or their contractor began to notify the Trust, [REDACTED] and ODEQ that there needed to be more disposal activity at the repository. As a result of the restricted properties, demolition debris being disposed of at the repository was slowing down. EPA was paying for a compactor and for personnel to support the disposal out of their budget for cleanup operations at the site related to Operable Unit 4 (OU4). With limited disposal activity, EPA felt they were not spending money wisely by continuing to support the Trust. As such, EPA informed the Trust that they may need to consider alternatives for disposal. EPA and their contractor advised they would be turning in the compactor if there was no resolution on the restricted lands by March 25, 2011. Further, the repository was scheduled to be closed for unrelated reasons during a short period of time. Since the restricted properties issue was not resolved prior to the deadline, the Trust, ODEQ, and [REDACTED] had a reasonable belief that the repository was no longer available for their use. As such, CWF began using the Alternate which was a contingency in the event the repository closed. This altered the progress payment billings wherein the Alternate unit price was added to the Base Bid unit price for all properties processed after March 25, 2011. Further, once the BIA properties became available, they were billed using the Alternate unit cost plus the higher negotiated rate for the delay. The exception to this involves a handful of properties processed at the end of the project which were not included in the RFP and were not delayed by the BIA. These properties were billed based upon the Alternate unit price plus the Base Bid unit price.

The scope of work prohibited the selling of any demolition debris for scrap. The exception to this involved a particularly large and complicated property known as the Landis Building. A significant quantity of metal which could be sold for scrap was included as part of the structure. Prior to selling the metal for scrap, a dispute ensued where in the Quapaw Tribe asserted the building belonged to them and that they should receive any proceeds from the scrap. Following negotiation between EPA and BIA on behalf of the Tribe, an agreement was reached wherein the scrap was transported by CWF to a location determined by the Tribe, and all proceeds from the sale of the scrap were paid to the Tribe. The remainder of the debris was to be processed in accordance with contractual specifications. Unfortunately, prior to transport of the debris to the landfill, a tornado touched down in the area scattering the debris which had been stockpiled awaiting disposal. CWF was authorized to bill for 90% of the square footage determined for the building.

Additionally, the scope of work included seeding once all demolition debris was removed. During the project, a decision was made that funds could be better used for additional demolition rather than seeding. The seeding was intended to prevent soil migration (AKA: erosion); however, the chances for such erosion was deemed to be low because most of the properties contained vegetation in the form of native grasses and weeds. Accordingly, after coordination between [REDACTED] DCS, the Trust, and ODEQ, a decision was made to discontinue the seeding effort. Subsequently, [REDACTED] CWF to stop seeding.

Without regard to the foregoing information, it should be noted that this was a lump sum contract. Legally, under the terms of a lump sum contract, at the time of contract completion, CWF would be and was paid a total of \$3,050,785.93, which, after all amendments, was the total

contract value. The amounts billed as progress payments and the way those amounts were derived are irrelevant to the total contract value. As such, any adjustments in billing of unit costs and added fees such as the EPA sorting requirements resulted in no indications of fraud or false claims in any way since the total work to be completed was done so successfully. The only way any of these changes could have resulted in any type of fraud would have been in the event of a default by CWF and a failure to successfully finish the project.

GENERAL ALLEGATIONS

Allegation 1:

[REDACTED], hired [REDACTED] to act as [REDACTED]. [REDACTED] began working for the Trust on approximately [REDACTED] 2010, and was being paid approximately 10% of the project contract price. Subsequently, the Trust entered into a contract with [REDACTED] on [REDACTED] 2010, for one year with a total payment in the amount of \$305,472.00. This amount far exceeded 10 percent of the contract price at that time which was \$1,701,752.97.

Allegation 1 Findings:

Interviews and document reviews disclosed [REDACTED] was initially paid a 10 percent fee based upon a similar contract [REDACTED]. The fee was changed in September 2010 based upon a complaint from State Senator CHARLIE WYRICK that 10 percent was too high. Accordingly, the Trust made a decision to pay [REDACTED] an hourly rate plus expenses, excluding travel. The September 2010 contract was issued for a "maximum" value of \$305,472 which was derived from an estimate provided by [REDACTED]. In the end, [REDACTED] was paid less than the maximum amount.

Allegation 2:

On March 24, 2010, the Trust executed a contract with [REDACTED] BACKHOE, DOZER, & TRUCKING (SBDT) despite the fact they were not the lowest bidder. Complainants alleged [REDACTED] engaged in a conspiracy to award the contract to SBDT by changing the quality control requirements making them more subjective. The RFP stated, "If a contractors' quality control plan, progress schedule, and time control methods are found to be unacceptable by the Trust, the bid will not be considered to be responsive."

Allegation 2 Findings:

Interviews and document reviews disclosed that the RFP in question was issued by the Trust with [REDACTED] on February 24, 2010. Quality Control criteria were included in the RFP based upon [REDACTED] historical experience in construction/demolition work, as well as issues experienced with the TWIN BRIDGES contract. The bids and quality control score sheets were reviewed with the assistance of a technical engineer at EPA who has never had any dealings with the Tar Creek Superfund Site or the parties in question. The review

determined that the scores given to the bidders were reasonable and that in fact, SBDT was the only contractor to meet all criteria specified in the RFP and was therefore, the only responsive bidder despite the cost factor. Since the RFP provided specific criteria to be met, the same requirements were available to all bidders and as such, SBDT had no advantage over any of the other bidders. It is the responsibility of the bidder to ensure that all requirements contained within the RFP are met in their bid proposal.

Allegation 3:

After the contract award to SBDT was vacated, CWF (AKA: VISION CONSTRUCTION AND PROJECT MANAGEMENT) was instructed by the trust to file a lawsuit to receive payment for services rendered. Complainants allege that no services were performed by VISION.

Allegation 3 Findings:

Interviews and document reviews disclosed that 37 properties were processed during the time SBDT held the contract, prior to the court vacating the award. Further, when SBDT assigned all rights and responsibilities to CWF, CWF was entitled to receive payment for the work performed on those 37 properties. After the contract was vacated, there was no legal mechanism for CWF to file a claim for that work. The only alternative was to file a lawsuit in order to receive payment due.

Allegation 4:

██████████ conspired to award the DCS contract to CWF by scoring the technical evaluation highest for CWF thereby skewing the averages.

Allegation 4 Findings:

Interviews and document reviews disclosed the DCS contract award was based upon a “best value” award process which was identified in the RFP. Documentation submitted by prospective bidders was reviewed by a committee without knowledge of who the bidder was. This process resulted in a selection of three “best value” bidders. After the “best value” bidders were selected, the only consideration was on total price, an element not included in the “best value” analysis. In this instance, the lowest bidder was CWF. Further, no evidence could be located which would indicate any of the parties involved in this bid and award process were engaged in a conspiracy to affect the outcome of the process.

Allegation 5:

██████████ conspired to steer the contract award to CWF by providing them a written recommendation.

Allegation 5 Findings:

DCS requires bidders provide Survey Questionnaires to entities which previously engaged their services. In this case CWF provided three completed Questionnaires, one of which was from [REDACTED]. A review of the questionnaires disclosed that of the three parties completing the document, CWF [REDACTED]. Further, although the Questionnaires were inadvertently included in the "best value" blind review, which could indicate to [REDACTED] which bidder was CWF, a committee of four scored each of the four bidders independently. The scores were then consolidated and analyzed based upon weighted averages. Even with [REDACTED] scores included, CWF was not the highest scoring bidder. Removing [REDACTED] scores from the analysis had no impact on the outcome for the three of four bidders selected for further consideration. After selecting the three bidders, lowest bid wins the award, which was CWF. Again, no evidence was found which would indicate a conspiracy among the review committee or between any party and CWF.

Allegation 6:

[REDACTED] conspired to pay additional funds to CWF through amendments and changes to the contract, specifically the increase in unit price of square footage based upon the restricted access to certain properties.

Allegation 6 Findings:

Interviews and document reviews disclosed the unit price of square footage was increased based upon additional costs incurred by the contractor as a result of not being able to efficiently demolish properties in a given area and having to return to that area to demolish a previously restricted property. Despite the increase in unit price, there was no cost increase to the contract. Further, this was a lump sum contract and CWF was entitled to the full contract value of \$3,050,785.93 upon successful completion of the project without regard to the method used to derive progress payments.

SPECIFIC ALLEGATIONS:

Allegation 7:

CWF submitted false claims for mobilization and bonds/insurance as part of Application and Certification for Payment No. 1 dated February 11, 2011.

Allegation 7 Findings:

Mobilization fees are a standard cost included in all construction type contracts across the industry. Additionally, reimbursement for bond/insurance fees is also standard across industry. Both are considered allowable costs in accordance with all DCS and federal rules and regulations. Further, this was a lump sum contract and CWF was entitled to the full contract value of \$3,050,785.93 upon successful completion of the project without regard to the method used to derive progress payments.

Allegation 8:

CWF submitted false claims for property billings on all Applications and Certifications for payment because they billed for square footage derived during the creation of the AutoCAD drawings on a given property versus the square footage included in the RFP as required by the scope of work. The scope of work specifically stated there would be no adjustment for square footage per property.

Allegation 8 Findings:

Interviews and document reviews disclosed the square footage billed was based upon the AutoCAD drawings in agreement between CWF, [REDACTED] the Trust, ODEQ, and DCS because the square footage in the RFP was found in many cases to be grossly inaccurate. Further, this was a lump sum contract and CWF was entitled to the full contract value of \$3,050,785.93 upon successful completion of the project without regard to the method used to derive progress payments.

Allegation 9:

CWF submitted false claims for asbestos removal on three specific properties included in Payment Application and Certification No. 3, dated April 14, 2011, even though these properties had been burned down and no asbestos removal was performed.

Allegation 9 Findings:

Interviews and document reviews disclosed that two of the three properties had been hit by a tornado rendering them unsafe for entry. The third property was burned mid-way through demolition. Despite these factors, asbestos still remained and had to be removed. Although it was not removed by an abatement contract, the work was overseen by the asbestos abatement contractor and the asbestos was removed in accordance with prescribed procedures. Accordingly, CWF was entitled to payment for services rendered. Further, this was a lump sum contract and CWF was entitled to the full contract value of \$3,050,785.93 upon successful completion of the project without regard to the method used to derive progress payments.

Allegation 10:

CWF submitted a false statement by certifying on Payment Application and Certification No. 3, dated April 14, 2011, that all work had been completed on the listed properties when in fact no seeding was performed on several properties as required by the scope of work.

Allegation 10 Findings:

Interviews and document reviews disclosed that a decision was made among [REDACTED] DCS, the Trust, and CWF to discontinue seeding once the scheduled seeding amount was exceeded. Therefore, once that decision was made, there would be no false statements with regard to work completed on the properties. Further, this was a lump sum contract and CWF

was entitled to the full contract value of \$3,050,785.93 upon successful completion of the project without regard to the method used to derive progress payments.

Allegation 11:

CWF submitted false claims for land fill fees that were not incurred for disposal of debris taken to the Hockerville subsidence area and for land fill fees charged on demolition debris which was taken to Skammon, KS, but could have been taken to the Hockerville subsidence area.

Allegation 11 Findings:

Interviews and document reviews disclosed that upon reasonable belief that the EPA repository was no longer available for demolition debris from this project CWF began billing the Alternate unit price plus the Base Bid unit price or the higher negotiated unit price resulting from the delayed access to BIA properties for all properties completed after March 25, 2011. Although no landfill fees were directly incurred for debris placed in the Hockerville subsidence area, CWF incurred additional costs in transportation along with equipment rental and personnel to operate said equipment to compact and level the debris deposited. In agreement with the Trust, [REDACTED] DCS, and ODEQ, CWF billed the Alternate unit price in addition to the Base Bid unit price in order to compensate them for the additional costs which were not part of the original RFP or bid package. Additionally, [REDACTED] [REDACTED] with ODEQ for approval to take certain properties to Hockerville. ODEQ advised that "all" the debris could be taken there referring to those specifically identified properties. The complainants allege that ODEQ was authorizing all debris remaining on the site to be taken to Hockerville. Even if this had been the case, that quantity of debris would not have fit into the subsidence area, therefore requiring some debris to be taken to Skammon, KS. Further, this was a lump sum contract and CWF was entitled to the full contract value of \$3,050,785.93 upon successful completion of the project without regard to the method used to derive progress payments.

Allegation 12:

CWF submitted false claims associated with work completed under Option A for capping the Hockerville subsidence area. Complainants allege that the cap was not completed in accordance with contract specifications.

Allegation 12 Findings:

Interviews and document reviews disclosed CWF's failure to complete the cap in accordance with contract specifications is wholly the opinion of the complainants and not based upon scientifically sound data supporting the assertion. The Trust, [REDACTED] DCS, and ODEQ assert the work was performed as required. No evidence was discovered to support the assertion that defective work was completed and billed for. Further, this was a lump sum contract and CWF was entitled to the full contract value of \$3,050,785.93 upon successful completion of the project without regard to the method used to derive progress payments, which included the amount of \$25,000 for Option A.

Allegation 13:

CWF submitted false claims for demolition and debris removal for the property known as the “Mickey Mantle Marriage House” which was never demolished and still stands today.

Allegation 13 Findings:

Interviews and document reviews disclosed that although the Mickey Mantle Marriage House still stands today, it does not stand in its original location. Once moved from its original location, items still remained at the original property which needed to be demolished, debris removed and disposed of. Therefore, CWF was entitled to payment for services rendered. Further, this was a lump sum contract and CWF was entitled to the full contract value of \$3,050,785.93 upon successful completion of the project without regard to the method used to derive progress payments.

Allegation 14:

CWF submitted false claims for general debris removal in excess of the quantity of debris included in the RFP for general debris removal.

Allegation 14 Findings:

Interviews and document reviews disclosed the category of General Debris Removal was included as a catchall for debris not specifically related to a particular property including debris scattered by the tornado. The amount included in the RFP was strictly an estimate as it was impossible to accurately determine the quantity of miscellaneous debris throughout the affected zone including debris scattered by the tornado. Accordingly, CWF was allowed to bill for the actual amount of debris collected. Further, this was a lump sum contract and CWF was entitled to the full contract value of \$3,050,785.93 upon successful completion of the project without regard to the method used to derive progress payments.

Allegation 15:

CWF submitted false claims for transportation of salvage which was not an amount allowed in the RFP.

Allegation 15 Findings:

Interviews and document reviews disclosed that transportation costs for debris taken to salvage was billed for scrap taken to the BIA specified salvage yard in accordance with the negotiated agreement between the BIA and EPA. CWF was allowed to bill for the transportation cost because it was an unforeseen aspect to the job at the time of contract award. Despite being allowed to bill for this cost, there was no increase to the overall contract value. Further, this was a lump sum contract and CWF was entitled to the full contract value of \$3,050,785.93 upon successful completion of the project without regard to the method used to derive progress payments.

CONCLUSION:

This investigation revealed no evidence to support any allegations by the complainants.